

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7862**

**BILL NUMBER:** HB 1597

**NOTE PREPARED:** Jan 15, 2007

**BILL AMENDED:**

**SUBJECT:** Exemption of debt service from circuit breaker.

**FIRST AUTHOR:** Rep. Espich

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** Pending

**Summary of Legislation:** Exempts debt and lease obligations entered into before January 1, 2008, from the application of the 2% assessed value property tax circuit breaker credit. Permits the department of local government finance to exempt debt and lease obligations entered into after December 31, 2007, from the application of the 2% assessed value property tax circuit breaker credit if the department determines that other revenue cannot be made available to repay debt and lease obligations without a material risk of substantial harm to the public safety or welfare of the persons served by the affected taxing units. Indicates that the credit does not relieve a political subdivision from fully funding the payment of debt service or lease rentals. Repeals obsolete provisions related to the application of a 2% assessed value property tax circuit breaker credit.

**Effective Date:** January 1, 2008.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.